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Document Version

Publisher's PDF, also known as Version of record

Publication date:

1999

[Link to publication in University of Groningen/UMCG research database](#)

Citation for published version (APA):

Wijnberg, N. M., & Gemser, G. (1999). *Groups, experts and innovation: the selection system of modern visual art*. University of Groningen, SOM research school.

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Groups, Experts and Innovation: the Selection System of Modern Visual Art

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SOM-theme B Markets and interactions between firms

Abstract

Valuation of cultural products is problematic. Nevertheless valuation takes place and resource flows are channeled accordingly. In this paper, we provide insight into how valuation of cultural products takes place by describing the essential characteristics of the competitive process and the resulting distribution of resources in terms of different types of selection systems. The selection system specifies the essential characteristics of the actors who are in competition with each other, the *selected*, and the actors whose decisions will determine the outcome of the process, the *selectors*, as well as the relations between the selectors and selected. Three ideal types of selection systems are distinguished: market selection, peer selection and expert selection. We show that a group of painters, known as the Impressionists, changed the selection system of the visual arts industry from one dominated by peer selection into one dominated by expert selection by acting and presenting themselves as a group. In doing so, they managed to change fundamentally the nature of the competitive process in the visual arts industry. In the new selection system, innovativeness has become the most highly prized product characteristic, while experts - as reviewers of works of art, as consultants to dealers, or as museum curators - play an essential role, certifying the innovativeness of individual artists and groups of artists.

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1. Introduction

Determining the quality or value of cultural products prior to or even after consumption is often notoriously difficult. This can result in phenomena such as bandwagon effects among consumers resulting in 'stardom' (Adler, 1985; see also Rosen, 1981; Towse, 1993) and the importance of certifiers and 'information providers' (Lampel and Shamsie, 1997; see also: Eliasberg and Shugan, 1997; Mossetto, 1993; Smith and Smith, 1986). Even though evaluation of the quality of cultural products is problematic, values are assigned to these products and flows of resources are channeled accordingly. This paper seeks to extend our understanding of value determination and resource allocation in cultural industries. To this end we analyze the essential characteristics of the competitive process in cultural industries in terms of different types of selection systems. In our analysis, we focus on the visual arts industry and on one particular group of painters, known as the Impressionists, in particular. As we will show, the Impressionists used the strategy of group formation to get value attributed to their innovative works. In the process of doing this, they helped to bring about an important change in the selection system dominating the visual arts industry. This change was accompanied by an increase in the value of innovation and, related, an increase in the importance of being affiliated with a group with avant-garde credentials.

To advance this argument the paper is broken into three major parts. In the first part, the concept of the selection system will be discussed. We will distinguish three ideal types of selection systems: market selection, peer selection and expert selection. Particular attention will be paid to the benefits of group formation under conditions of expert selection. In the second part, the case of the Impressionists and the genesis of the modern selection system of the visual arts industry are analyzed. In the third part, we provide a discussion that serves to analyze further how the Impressionists helped to establish a new selection system within which membership of a group is important for competitive success. Conclusions will round off the paper.

2. Selections Systems, Experts, and Groups

The difficulties inherent to evaluating the quality or value of cultural products makes that there is a need for a systematic analysis of the processes determining resource flows in cultural industries. By describing the most significant characteristics of the competitive processes in cultural industries in terms of particular (combinations of) selection systems, this paper offers such a systematic analysis. The selection system specifies the essential characteristics of the actors who are in competition with each other, the *selected*, and the actors whose decisions will determine the outcome of the process, the *selectors*, as well as the relations between the selectors and selected. The selection system thus provides a shorthand description of the competitive process: the way in which winners are distinguished from losers (Wijnberg, 1995).

Three ideal types of selection systems can be distinguished: market selection, peer selection and expert selection. In the case of market selection, the producers are the selected and the consumers the selectors. Peer selection, on the other hand, means that the selectors are part of the same group as the selected (Debackere *et al.*, 1994). In the case of expert selection, the selectors are not themselves producers or consumers, but have the power to choose by virtue of specific knowledge or abilities attributed to them. Expert selection, as we will show, is the selection system dominating visual arts in the twentieth century. It should be emphasized, however, that the three types of selection systems described are ideal types. In real-world conditions, outcomes of competitive processes will usually be determined by combinations of (more than one type of) selections. Sometimes two types of selection will operate alongside each other, sometimes the types are tiered, that is, the producer or product first has to pass one type of selection to be admitted to a second stage in which another type of selection operates. Still, in many of these cases, a dominant type of selection can be distinguished.

It is one of the central tenets of modern (micro-) economics that the value of a product can only be determined within the context of a particular set of consumer

preferences. In our terms, this means that the value of a product can only be determined within the context of a set of preferences of selectors and, therefore, necessarily within a particular selection system. In the cultural industries, recognition for having value by the selectors is strongly linked to product differentiation (e.g., Becker, 1982; Heilbrun and Gray, 1994; Hirsch, 1972; Mossetto, 1993; Throsby, 1994). One means among others to differentiate artistic performance and to obtain recognition is innovation. The presence and value of artistic innovation is however often difficult to establish: while the presence and value of technological innovations can be established by use of relatively clear and objective performance indicators, artistic innovations concern more ambiguous matters, such as style. However, an innovation that is not appreciated as valuable by the selectors in the dominating selection system is not an innovation or at least not a successful innovation. Some innovations may only prove to be successful if the innovators succeed in changing the ways in which value is determined, which means changing the selection system itself. Innovations that lead to a change in the selection system, and with it a change of selectors and their sets of preferences, can be considered the most radical or revolutionary innovations.

In the modern visual arts industry, innovation has become the single most important aspect of differentiating art works. Being identified with a group with innovative credentials can then be strategically advantageous. A number of authors have dealt with the advantages of being affiliated to a group or network with a distinct 'collective' reputation in the respective field (Podolny, 1993, 1994; Rao, 1994; Shrum and Wuthnow, 1988; Stuart, 1998). Being a member of a particular group may, for example, serve as a relatively cheap and easy signal of quality towards the selectors and thereby help to have quality, including the value of an innovation, recognized (Podolny, 1994; see also Faulkner, 1983; Podolny and Stuart, 1995). Group formation can be of particular significance when selection by experts dominates, as is the case of visual arts in the twentieth century. When experts are 'professionals' in the sense that they make a significant part of their living by selling expertise, it is likely that they want to build their own credentials by being the first to make important certifications. Furthermore,

certifying groups can have a greater impact and will therefore be more cost-effective to the professional experts than certifying individuals one by one. These processes are likely to be reinforced when the expert has to evaluate and certify the innovativeness of the art works and (groups of) artists.

An innovator who is recognized by experts as the 'inspirator' of a group of innovators is usually considered to be more important than one who is not. Crane (1987: 19) writes: "(...) the most influential art works are created within the context of styles that are shared by members of social groups (...) Individuals working independently rarely exert a comparable influence." An innovator's credentials seems thus strengthened not only by innovation itself but also by the extent to which he or she has followers and becomes a 'leader' of a collective. This phenomenon has not only been observed in cultural industries. Merton (1968), for example, observed that scientists acquire status by contributing groundbreaking work that becomes a foundation for future research (Stuart, 1998). In a similar vein, the prestige and reputation of organizations in high-technology and fashion-sensitive industries seem linked to the extent to which their innovations become a foundation for further innovations, imitations and new trends (Gemser and Wijnberg, 1999; Podolny and Stuart, 1995).

Thus, an innovator who has followers, especially followers who themselves prove to be innovative, is likely to be more important than one who has not. The creations of this innovator will have more value. The professional expert who is able to describe a particular innovator as a leader or among the leaders of a group will increase the value of this innovator's creations. This expert will also enhance his or her own credentials as an expert most effectively by being the first to recognize the most important innovations that lead to the formation of new groups. In other words, there seems to be a strong mutually beneficial relationship between experts and innovative groups where markets are dominated by expert selection.

In the next section, we sketch how innovation has become the dominant criterion for judging quality in contemporary visual arts. Furthermore we describe how experts - as reviewers of art works, as consultants to dealers, or as museum

curators – have come to play an essential role in the allocation of resources, certifying the innovativeness of individual artists and groups of artists. Since the Impressionists were the catalysts of these changes, their actions will figure prominently in our analysis.

3. The Case of the Impressionists: Museum, Dealer and Critic

3.1 The Impressionists and Selection Systems

The painters who came to be called the Impressionists were active in the second half of the nineteenth century. The best known among them were Manet, Monet, Renoir, Pissarro and Degas. The name 'Impressionist' was derived from the title of a painting by Monet and caught on precisely because it conveyed one of the essential stylistic innovations of the Impressionists: to create the sensation of capturing the fleeting impression of a particular scene at a specific moment in time (Rewald, 1980). The Impressionists also innovated with respect to use of color and subject matter, preferring landscapes and 'scenes from modern life' to history painting, which was the subject with the highest status in the academic tradition (Wijnberg, 1999).

The art-historical significance of the Impressionists, however, depends not only on the stylistic innovations they introduced. In the words of Fitzgerald (1995: 7): “The success of the Impressionists was based on a more remarkable - and more complex - achievement. By coupling their new aesthetic with the establishment of a commercial and critical system to support their art, they not only created the movement of Impressionism but laid the foundation for the succession of modern movements that would dominate art in the twentieth century”. The selection system the Impressionists helped to create has remained in place since the end of the nineteenth century and, in this sense, all twentieth century visual artists can be described as Postimpressionists.

There have been two major changes in the selection system of the visual arts in Europe during the last millennium. The first one was the change from the

medieval system to the academic system: while in the former the guild was the central institution, in the latter the Academy performed this role. The medieval system was one of regulated market selection in which entry to the market as well as the range of permitted types of competitive behavior were regulated by the guild, itself a body within which peer selection ruled. In the course of the Italian Renaissance, the Academy took over most of the functions of the guilds. If the Academy approved of the work of an artist, especially if the artist was admitted to its ranks, the artist was able to earn rewards for his or her artistic excellence. Within the Academic system, not only entry but also resource allocations depended to a large extent on the judgment of peers, so that the system can be characterized as having being dominated by peer selection (Wijnberg 1997a, 1997b).

The second major change in selection systems was the change from the academic system to the modern, expert-based system, a system that the Impressionists helped to create. Just as the artists of the late Renaissance wrested control away from the guilds to transfer it to the Academies, so did the Impressionists attempt to remove it from the Academy. The masters of the Italian Renaissance caused the change in selection systems to occur because they were not satisfied with the way their exertions and innovations were rewarded.

The shift in selection systems increased the strategic value of being innovative. In the guild-regulated market selection system, innovation had little or no intrinsic value. In the peer selection system that came into being in the Renaissance, the capacity to innovate was associated with innate ability and became one of the characteristics that distinguished the artist from the craftsman (Wijnberg 1997a, 1997b). However, the Academy did not consider innovativeness to be the most essential or dominant characteristic of art works, not in theory and certainly not in the practice of admitting artists to the Academy and awarding prizes. It was precisely the desire of the Impressionists to have value attributed to their paintings, which were innovative, that led to the establishment of the system of expert selection and the emphasis on innovativeness as the dominant product characteristic in modern visual arts.

The Impressionists did not replace the Academy with a single new central institution. Instead, the new system developed together with a few crucial elements that did already exist but took on new characteristics and increased their importance. White and White (1993) use the concept of the ‘dealer-critic system’ to describe the situation in the visual arts that arose in late nineteenth-century France. Besides the commercial gallery and art critic, we would like to add a third essential element, namely the art museum. Below each of these institutions will be discussed, emphasizing their role in processes of value determination and resource allocation.

3.2 The Art Museum

In the eighteenth century, the art museum was principally intended to be a repository of the works of dead artists and as a ‘school’ for young artists. In the course of the nineteenth century, the museum began to play a more active role with respect to living artists, with significant effects on their careers. Museum exhibitions became a major means of expressing or, rather, publicly confirming the judgment of the experts on the value and the innovativeness of art products and artists and, thereby, a signpost for the direction and magnitude of the resource flows in the new selection system.

The establishment of museums of living artists, especially as stepping-stones towards the ‘definitive’ museum, allowed museums to certify artists while they were still alive. The first place explicitly destined to house the works of living artists was the *Musée Luxembourg*, which opened its doors for this new purpose in 1818 (Pedro Lorente, 1998). The *Luxembourg* would function as a testing ground for the *Louvre* in which only the works of the dead would be shown. Similar museums were founded in other countries and these museums, or rather their directors and curators, became more and more assertive in their certifying activities. This led Fisher (1991: 24) to assert that: “(...) many characteristics of the modern work have to be seen as a kind of foresight on the artist’s part that the work will find itself eventually in a museum.” The work of art aspires to be of

museum quality because the modern art museum aspires to possess and show those works of art that are reputed to be turning-points in the history of art, works from the hands of the essential masters.

The modern art museum has become the place where the idea of 'artistic progress', an idea which arose in the Renaissance and has become a central dogma in modernist thought, is made visible. Consequently, art museums illustrate artistic progress through time, the course of art history. In fact, contemporary museum managers are often experts in art history, having (post) graduate degrees in that field (DiMaggio, 1987). Modern art museums attempt to present artistic progress as completely as they are able. With respect to the period or periods a particular museum wants to cover, it strives to have as many of the paintings that are considered to be crucial innovations or at least to have minor art works of the painters that are considered to be crucial innovators (Serota, 1996: 10-11). Major innovative movements are given at least a room of their own within the museum. At the same time, modern art museums are considered institutions that, compared to, for example, symphony orchestras (Zolberg, 1989), are relatively hospitable to innovative art. This again reinforces the situation in which good art is largely defined as innovative art and innovativeness is most strongly certified by inclusion in a museum collection.

The modern art museum was far from fully-grown during the heyday of the Impressionists. However, the Impressionists explicitly accepted the challenge to prove themselves worthy of museums and, especially, of the *Louvre*. In 1894, Caillebotte, a painter who himself is generally counted as one of the major Impressionists, died and left a will in which it was stipulated that his whole collection of paintings, containing works of most of the major Impressionists, would be left to the State on condition that the paintings were exhibited in the *Luxembourg* museum and finally in the *Louvre* (Rewald, 1980). In effect, this bequest would result in an instant certification from the museums of the Impressionist movement as a whole and it was no surprise that antagonists of the Impressionists - and thereby of changes in the selection system - such as many professors at the *Ecole des Beaux-Arts* and other public officials, felt threatened

and reacted sharply. After tortuous negotiations, more than half of the collection was accepted by the State and transferred to the *Luxembourg* in 1897. Slightly later, the *Louvre* itself began to open its doors to the Impressionists, even to such principled anarchists as Pissarro (Shikes and Harper, 1980; Ward, 1996). Nowadays, exhibitions of major Impressionists are guaranteed ‘blockbusters’, and are essential to the financial well being of many important art museums.

3.3 The Ideological Dealer

In the previous section we described how the museum came to play a significant role in the new selection system by certifying the value of art products and artists. In this section we sketch the role of art dealers, who, by merchandising and selling art works to the public, also play an important role in the allocation of resources within the visual arts industry.

Already during the Renaissance there were individuals and firms buying and selling art works for profit. However, they were rarely specialized art dealers and their role was relatively modest, because paintings were more often commissioned by prospective buyers or sold directly from the workshop. From the Florentine Academy onwards, the Academies provided an additional instrument of sales promotion, namely regular, or even permanent, exhibitions of art works created by their members. At first, the works exhibited were normally not for sale, although their exhibition functioned as advertisement for those that were. Later, the exhibitions increasingly showed works whose commercial prospects depended on the success they had in the exhibition. The (bi-) annual exhibitions organized by the French Academy, the so-called Salons, became the most important way to show one’s work to the public, and to show the results of the peer selection system. In the first ‘real’ Salons, from 1737 onwards, paintings were explicitly grouped and hung according to the artists’ academic rank. Much more important than the question of where one’s work was hung was of course the question of whether one’s work was exhibited at all. Not to be allowed, year after year, a place

on the walls of the Salon meant not having a career as a painter (Crow, 1983; Loyrette, 1994; White and White, 1993).

Although the methods by which the members were chosen for the Salon juries varied over time, the great majority of jurors were also distinguished members of the French Academy (Hamilton, 1986). In 1863, when the jury rejected several thousand paintings submitted, some of them by well-known artists, opposition against the Salon led to the organization of the *Salon des Refusés*. This exhibition was organized by the same people who organized the official Salon and they did what they could to present the exhibition as something to be laughed at, which most of the public did (Rewald, 1980). In 1867, the jury refused two thirds of the submissions, including works by the Impressionists Monet, Pissarro, Sisley, Cézanne and Renoir. In the same year there was a World Fair in Paris and Manet and Courbet decided to exhibit in specially built pavilions at the World Fair instead of in the Salon. Although these private exhibitions were not spectacularly successful in financial terms, some of the other Impressionists contemplated exhibiting as a group, but could not find the necessary funds. However, in 1873, there was sufficient motivation and there were sufficient practical possibilities to take the decisive step (Rewald, 1980).

The one-man shows of Courbet and Manet can be considered the forerunners of the group shows of the painters that came to be called 'Impressionists'. Some of the major Impressionists had at least some works accepted by Salon juries. However, the majority of the Impressionists either had enough of Salon judgment and Salon rejection or saw the advantages of further emphasizing to the public the differences between their work and that of the academic painters. Degas, who, among the Impressionists, probably was most likely to succeed in the Salon, did join the group. Particularly after the third exhibition, Degas manifested himself as the champion of the principle that only painters who did not offer works to the Salon jury would be allowed to exhibit at the Impressionists' shows. The group exhibitions did not, however, make the Impressionists rich. The first three shows produced only financial losses to the organizing artists. The profits from

subsequent shows were rather modest (Rewald, 1980, 1989; White and White, 1993).

Commercial success came to the Impressionists via the commercial galleries. Already at the time of the first exhibition of the Impressionists, some of the participating artists (notably Degas, Monet, Sisley and Pissarro) had received considerable amounts of money from the dealer Durand-Ruel, partly in the form of fixed incomes against future sales. This same Durand-Ruel, though, attempted to convince Pissarro not to exhibit with the Impressionists, but patiently wait for recognition by the Salon which, according to Durand-Ruel, was just around the corner, as it was for Manet. Durand-Ruel wrote to Pissarro: “You still have one step to take, that is to succeed in becoming known to the public and accepted by all the dealers and art lovers (...) You won’t get it by these exhibitions of private societies. The public doesn’t go to these exhibitions, only the same nucleus of artists and art lovers who already know you (....) I urge you strongly to complete all that by exhibiting this year at the Salon” (quoted in Shikes and Harper, 1980: 108).

Shortly after the first exhibition, Durand-Ruel was forced, among other reasons by the economic depression of 1873, to suspend payments to the Impressionists. Only in 1878 was he again able to buy their works. From the early 1880s onwards, painters as well as dealers began to do well financially. But it was not just any commercial galleries: the commercial galleries that played a crucial role in the promotion of the Impressionists, and of later modernist artists, were those led by so-called 'ideological' dealers like Durand-Ruel, Petit, Theo van Gogh and Kahnweiler. Dealers can be termed ideological when they are motivated not merely by the desire to make money, but to spread the gospel of a particular type of art, which means, in practice, a particular style of a particular artist or, more often, of a group (Jensen, 1994). By virtue of a dialectical process, the galleries selling the work of the traditionalists became ideological dealers too, only of a different persuasion. The art dealers discovered that having an ideology made selling a more virtuous and thereby more profitable activity. As Jensen (1994: 108) notes: “ (...) the decorum forbidding self-promotion within the context of a

communal gallery could be overridden if the notion of a one-man show was closely allied to group exhibitions that offered a single aesthetic and ideological front."

The group exhibitions organized by dealers soon took on museum-like qualities: they expressed art-historical opinions about individuals and groups. Commercial galleries and museums also began to let their activities converge. On the one hand, commercial galleries started to organize museum-like (in historical sequences, ordered by 'period' etc.) retrospectives of the works of living artists. On the other hand, museums became significantly more willing to collaborate with dealers and let their premises be used to show works that still had to be sold to third parties (FitzGerald, 1995). Admittedly, these particular developments only reached their full flowering in the twentieth century.

Even for the traditional painters, sales, and especially foreign sales, via commercial galleries, quickly became a more important source of income than Salon prizes and official patronage (Jensen, 1994). Buyers from the United States in particular became an important factor. First because these buyers were able and willing to pay relatively high prices (Rewald, 1989; Weitzenhoffer, 1984). And second because American collectors often brought the speculative life of a painting to an end, bequeathing many of the paintings to museums instead of selling them later on (Jensen, 1994). The willingness of museums to accept the paintings, and certify them by that fact as 'museum art,' reinforced in turn the willingness of private collectors to acquire them in the first place.

3.4 The Art Critic

Next to the art museum and the ideological dealer, the professional art critic plays an important role in the new selection system. Indeed, as we will show below, it is the art critic who 'connects' the different elements of the system to each other.

While during the eighteenth century the peers claimed to have no need of expertise beyond their own, the Academy-sponsored Salons contributed to the birth of a new species of expert whose task was to enlighten and educate the rest of the nation: the journalist-art critic. The demand for well-written explanations of which works of art were to be appreciated and which not, only increased with the rise of social mobility. The nineteenth century saw the first specialized journals for art criticism, such as *l'Artiste* in France and *de Nederlandse Spectator* in the Netherlands. Many critics in the latter half of the nineteenth century, such as Zola or Mirbeau, were famous novelists who also wrote criticisms. However, there slowly started to appear a number of 'professional' critics who were not artists themselves and who made criticism, if not a full-time occupation, at least their main vocation.

Just as in the case of the relation between museums and dealers, the relation between critics and artists with respect to credentials went two ways. The artist needed critics to convince others that his or her art works were valuable. After Impressionism had proved successful and a paradigmatic case of progress in the arts, art critics more and more had to prove their own worth and credentials by being able to spot the most innovative artists and the newest styles earlier than anyone else. Those who did so on behalf of the right painters, such as Aurier in the case of Van Gogh, earned a modest place in art history for themselves.

Not only artists, but also dealers, and especially the ideological dealers, increasingly looked to the art critics for assistance. Apart from the general economic downturn, one of the main reasons for Durand-Ruel to stop buying Impressionists' paintings in 1874 was, as he admitted himself, the lack of support from most of the critics, or rather their open hostility (Shikes and Harper, 1980). The ideological dealer needed critics to 'place' a painter (or a group of painters) in a historical sequence. As Jensen (1994: 3) argues: "To market modernism artists, their dealers (...) required above all to establish historical legitimacy. This historiographic enterprise was as much a part of merchandising Impressionism as the [other] increasingly refined practices of art dealers." Dealers also needed critics to convince the consumer of the value of the works of art they exhibited.

When, in 1889, Mirbeau wrote a long and most sympathetic article on Monet, this article brought a significantly higher number of visitors to the show of Monet's work at Boussod and Valadon, according to this firm's manager, Theo van Gogh (Levine, 1994). This article was not only the longest until that date written on Monet, it also focused on Monet's innovativeness. Mirbeau wrote about Monet: "With M. Claude Monet, we are far from tradition," and: "One of his great originalities is that he was the pupil of no one" (quoted in Levine, 1994: 96). Both Theo van Gogh and Monet himself thought that Mirbeau's article also led to other positive reviews. Levine (1994: 99) adds: "(...) I want to stress the intertextual dimension of journalism in Paris at this time, as well as the artist's concern for the practical consequences of this network of prose."

4. Discussion

The Impressionists faced a problem: they found it hard to have the value of their paintings recognized and rewarded in the selection system that was dominant in the visual arts industry in mid-nineteenth-century France. They sought a way to overcome this problem by acting as a group and, in this way, bypassing the central institution of the dominant selection system, the Academy. As discussed earlier, the most significant determinant of success in one's career as a painter was whether one was allowed to exhibit at the Salon (and how many paintings, and where the paintings were hung). The private exhibitions of Courbet and Manet and the group exhibitions of the Impressionists were explicitly aimed at overthrowing or at least circumventing the dominance of the Academy and the Salon by finding other ways in which to reach the buying public and convince it of the value of the innovations that were being made. At first, the Impressionists were so unsure of themselves that they explicitly chose to downplay the innovativeness of what they were doing. The first Impressionist exhibition of 1874 included not only those who later became known as the Impressionists but also a number of other artists. Shikes and Harper (1980: 104) note: "At the insistence of Degas, the group included artists with conventional styles; he feared the reaction if a

disproportionate number of the exhibitors were painters whose styles might antagonize critics and public (....) One conviction bound most of the group together: a belief in the necessity to free themselves from the jury system."

We discussed above how the modern museum became the place where art history was shown as a sequence of innovations. Historiographic art criticism thus aspires to the condition of being a guidebook through a (imaginary) museum. Within this historiographic framework, it became much easier for a dealer to embrace an ideological position, especially with some help from the art critics. Most modern art dealers are or, at least, would like to be described as ideological dealers. Becker (1982: 111) writes: "Dealers typically specialize in a style or school of art. [...] Gallery-goers who identify themselves as potential purchasers get personalized lessons from the gallery staff, who analyze the work of individual artists and even individual paintings or sculptures, suggest their relationships to other important current styles and schools". Becker (1982: 113) also remarks that: "Critics frequently make the same discoveries gallery owners make, and the two groups collaborate to promote those painters and sculptors whose innovations they find attractive and critically acceptable."

The 'discoveries' of critics and gallery owners are essentially discoveries of products that have the potential to end up in an art museum, and, thus, they await further discovery by the museum managers (Fisher, 1991). Where, as noted earlier, museum managers are often art historians by education (DiMaggio, 1987) and hospitable to innovation (Zolberg, 1989), these managers can even rival or partly replace the art critics as the dominant experts. The process of professionalization of museum managers (DiMaggio, 1991) has further contributed to this development, because museum managers could increase the legitimacy of their position by partly usurping the functions of art critics. Precisely because of the presumption of the modern art museum that the way in which it categorizes and displays art works adds significantly to the understanding of the art consumer, the museum has become so important an agent in certifying the quality of these art works. Only few museums deal with only one individual artist. Indeed, if a museum strives to distinguish itself from others and to have a clear identity in the

eyes of the public, the most common way to achieve this is to ally the museum with a particular group of artists. A particular instance in the Netherlands is the Cobra Museum, one of the most recently established art museums in metropolitan Amsterdam specializing in the work of artists of the Cobra group.

Thus, museums, dealers and experts have become allies or, at least, rivals with the same purpose: the establishment and defense of the credentials of an artist or a group of artists for being innovative. Positive feedback loops did, however, not only determine the development of the three central elements of the new system; there was also a significant positive feedback loop between the three elements and the relative importance of innovation as a means to differentiate artistic performance. After the rise of the Impressionists, innovation gradually came to serve as the dominant criterion for the evaluation of the quality of artistic performance. This reinforced the position of the experts who could certify a painting's innovative character. Nowadays, the expert's certification powers have grown to such an extent that it almost seems as if the critic is more important than the artist or as if the critic is the real artist and the painter just the person providing the raw material (Sandler, 1996). Because innovation came to serve as the dominant criterion for the evaluation of the quality of artistic performance in the painting industry, only the work of the innovators has remained valuable while much of the work of contemporaneous academic painters has disappeared or is only valued as a curiosity, not as a work of art (see, for instance, the work of Alma-Tadema).

The fact that artistic innovativeness is a characteristic that is difficult to evaluate by the average consumer, not only reinforces the position of experts. It also makes it more likely that group formation will become important to producers and experts alike. Where the value of an innovation in painting is determined by evaluating its effect on the course of art history, an artist will see the value of his or her paintings increase when he or she is recognized not as a 'loner', but as a leader of a group, as an artist whose work has influenced the work of many other important artists. On the other hand, if an expert can ascribe followers to an artist and if he or she is the first to describe the artist as among the leaders of a major

group, this expert can increase both his or her own and the artist's value. The returns to the critic's credentials from spotting a whole movement are likely to be greater than from spotting a single individual. Indeed, the history of modern visual art is also the history of those critics who were among the first to recognize the importance of new groups and movements (Golding, 1994; see also Sandler, 1996).

To analyze more closely the interaction between group formation and individual success, it is useful to take a look at the ways in which two major Impressionists, Degas and Pissarro, dealt with this issue. These two artists were, with respect to background, political convictions, personality and painterly style, as far apart as possible within the Impressionist movement. Degas was at the same time considered to be a leader of the group and not really an Impressionist at all insofar as he emphatically did not strive to represent his impressions. He certainly did not want to be called an Impressionist. In the words of Degas: "No art was less spontaneous than mine. What I do is the result of reflection and the study of great masters" (quoted in Armstrong, 1991: 22). At the same time he played a central role in creating the image of the Impressionists as a group, helped to organize and publicize the first Impressionist exhibitions and, although he at first championed the participation of more traditional painters, later became most adamant in excluding from the exhibitions all painters who also submitted works to the Salons. Armstrong (1991: 23) writes that, on the one hand: "Degas' membership in the Impressionist group was (...) a reaction (...) to the commerciality of one market, that of the official Salons" but that, on the other hand: "Degas also used the Impressionist shows to acquire a kind of private market for himself and to define his reputation. By no means exempt from market considerations, he needed the shows. For he must have recognized that alone his pictures were not noticed enough - they did not get the recognition that Manet and Courbet had got all by themselves" (Armstrong, 1991: 26).

In the context of a conflict between Degas and many of the others, Gauguin wrote to Pissarro in order to convince him of the need to present the appearance of a recognizable movement to the public: "We are interesting because we form a

phalanx of painters convinced of the value of our movement and protesting against the merchandising of art (...) If you put a Cézanne beside a placid conventional landscape, the Cézanne will look like a joke. If, on the contrary, you are grouped together, the similar nature of the ensemble forms a principle that imposes itself [on the viewer]" (quoted in Shikes and Harper, 1980: 177). The same Gauguin perceived most clearly that, paradoxical as it sounded, the best sign of being original in the new system consisted in being imitated and having a recognizable group of followers (Shiff, 1996: 108). In the 1880s a number of Impressionists, including Monet, began to have one-man shows. Pissarro was at first pessimistic about one-man shows, precisely because he thought that they were associated in the mind of the public with commercial dealers and that these mercantile associations would not help one's reputation. He wrote to his son Lucien on the subject of Monet's exhibition at Durand-Ruel: "A poor idea to have one-man shows. The newspapers, knowing that a dealer is behind it, do not breathe a word" (quoted in Shikes and Harper, 1980: 182). However, in 1892, when Impressionism as a movement had been completely accepted, he himself wrote: "You must understand that I am on the point of a definite success (...) It goes without saying if I have a show, I must exhibit alone and under first-class conditions" (quoted in Shikes and Harper, 1980: 260). However, Pissarro possibly more than anyone else was aware of how much his individual success depended on the group. When Pissarro had to write a brief autobiography for his dealer in 1886, he described in detail his history until his arrival in France in 1855 and concluded abruptly: "As for the rest of my history as a painter, it's connected to the Impressionist group" (quoted in Ward, 1996: 14).

Thus, it appears that both Degas and Pissarro were aware of the advantages of belonging to a group and of the fact that these advantages were linked to the expected behavior of experts.

5. Conclusions

The case that has been presented is about art producers who found it difficult to have value attributed to their products and, thereby, to achieve commercial success. The story of the Impressionists is the story of how they managed to overcome this difficulty by acting and presenting themselves as a group, and how, in the process of doing so, they caused the whole selection system to change from a system dominated by peer selection into a system of expert selection. In the new selection system, the strategy of group formation became, if not the only road, at least the royal road to success. Because of this, the history of twentieth-century visual arts often gives the impression of consisting of a list of groups, of successive avant-garde movements. The changes caused by the Impressionists also led to a significant increase of the importance of innovativeness as a means to differentiate paintings and of constant innovation as a characteristic of the industry. To become successful, a group had to be recognized as a group of innovators. Individual artists could benefit from being part of such a group and, especially, of being considered among its leaders. The representatives of the three core institutions of the new selection system also could gain significant benefits by identifying innovative groups and their leaders as early as possible.

It might be considered ironic that although many of the leading Impressionists expected their particular technical and stylistic innovations to have a long-term impact, comparable with the impact of the innovations of the masters of the Italian Renaissance, the Impressionists' success in changing the selection system also ensured the short life of these particular techniques and styles in high art. A great proportion of amateurs and producers of paintings who are not recognized as real artists in the contemporary selection system, such as the painters making portraits for tourists in holiday resorts, actually use some of the technical innovations of Pissarro, Degas, Monet or Renoir. The real artists, though, have to be innovative and anyone who paints too much like an Impressionist is not considered to be particularly innovative. Late nineteenth-century painters who painted like Impressionists but were not members of the original group also suffered from the

fact that under the new selection system, less value would be attributed to their output than to the output of the members of the original group. This is most easily observable in the case of the various ‘national’, non-French, schools of Impressionism. The paintings of German Impressionists such as Liebermann (Krieger, 1979) or Dutch Impressionists such as Breitner or Israels (Reisel, 1967) are sold for high prices in the international art market, but these prices are only a fraction of the prices that are paid for the works of the canonical Impressionists. In France too, while some of the major Impressionists were still hard at work, Impressionism itself had become a dead movement. The final paintings of Monet are especially valued, because critics recognize in them the embryonic start of one of the most successful successor-movements, namely Abstract Art. Under the present-day selection system, avant-garde movements are inherently unstable, precisely because of the dynamism of the processes described in this paper. Much of the instability results from the pressure between the attraction of being in a group on the one hand and the premium on originality on the other.

The relevance of our conceptual framework and the results of the case study are not restricted to the work of the Impressionists, or the contemporary visual arts industry. Many characteristics of the visual arts industry are also present in other industries. Asymmetric distribution of information between producers and consumers, for instance, is a characteristic of such ‘normal’ industries as automobiles, domestic appliance and healthcare. These circumstances enhance the importance of experts. Indeed, many cultural *and* non-cultural industries are confronted with competitive arenas that are not exclusively market-selected, as traditional theory would like to have it, but are dominated by expert selection or by a selection system with important admixtures of expert selection and/or peer selection. The argument of this paper suggests that a close inspection of the selection system of a particular industry is a necessary first step towards understanding the dynamics of the competitive processes and the development of the institutional structures in that industry.

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